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SUBJECT: ZIMBABWE FOOD SECURITY PROJECTIONS FOR 2003/04:  
THE CRISIS ISN'T OVER YET

1. ACTION: THIS CABLE IS FOR AMBASSADOR J. SULLIVAN'S  
IMMEDIATE ATTENTION FOR USE IN CONJUNCTION WITH HIS TDY  
CONSULTATIONS IN WASHINGTON, D.C.

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SUMMARY

2. Summary: The final Zimbabwe Vulnerability Assessment  
Committee (ZIMVAC) April (2003) update and joint U.N. World  
Food Programme (WFP) and Food and Agriculture Organization  
(FAO) Crop and Food Supply Assessment Mission (CFSAM) report  
have not yet been released, despite promises of release for  
the past several weeks. According to highly reliable  
sources, Zimbabwe's total maize production for the  
recent/current (2002/03) harvest is estimated at 820,000  
Metric Tons (MT), an approximately 65 percent (%) increase  
over last year's result. When combined with the estimated  
production levels of other cereal crops (wheat, millets),  
total cereals production in 2002/03 is estimated at  
1,035,000 MT. Adding various modest amounts of estimated  
carryover stocks, winter maize production, remaining food  
aid (pipeline) stocks and other miscellaneous on-farm stocks  
results in an estimated 950,000 MT of total available maize  
and 1,200,000 MT of all cereals for the 2003/04  
marketing/consumption year.

3. Applying the new reduced population estimate from the  
latest census in 2002, Zimbabwe's projected food needs in  
2003/04 are estimated at 1,675,000 MT for maize only, and  
2,205,000 MT for all cereals. If one reduces these figures  
to human consumption requirements only, total national  
requirements for maize are estimated at 1,425,000 MT, and  
human requirements for all cereals are estimated at  
1,955,000 MT.

4. Based on these figures, Zimbabwe's estimated food gap  
amounts to 725,000 MT for maize only, and about 1 million MT  
for all cereals for the 2003-04 marketing/consumption year  
(through April 2004). Similarly, if one removes the non-  
human (livestock/other) portion of these amounts, the 2003-  
04 maize gap is reduced to about 485,000 MT, and the total  
cereals gap to about 725,000 MT. Finally, accounting for  
approximately 275,000 MT of already confirmed/planned food  
imports from various sources, the final projected Zimbabwe  
maize deficit would be 485,000 MT (235,000 MT without  
livestock/other non-human requirements), and 725,000 MT for  
all cereals (475,000 MT without livestock/other non-human  
requirements).

5. At current international market rates, these imports will  
cost approximately US\$100 million for maize, and \$150  
million for all cereals. Given the current sorry state of  
GOZ finances, it remains highly questionable how much of  
this food import requirement the government will be able to  
meet. The Mission hopes to have preliminary estimates of  
this amount shortly. Until we receive this information, it  
will remain difficult to determine projected international  
and USG food assistance requirements for this year.  
However, although clearly less than last year's  
requirements, the magnitude and localized geographic and  
socio-economic distribution of the need, in combination with  
failed local markets, suggest that food aid will continue to  
be required in 2003/04. If one assumes that a 50/50 split  
between government and international donors might be a

reasonable estimate for meeting this food gap, international donor food aid requirements would amount to approximately 250,000 MT for maize, and 375,000 MT for all cereals. Assuming the USG maintains its contribution at its current 40% share of the total requirements, USG food assistance to Zimbabwe would amount to between 100,000 and 150,000 MT of food, valued at between approximately US\$55 and \$82 million. The emphasis for such assistance would be on the southern and western areas of the country, which experienced large-scale or total crop failures this year, and on specific highly vulnerable groups.

16. The Mission will provide more details on these subjects as soon as the aforementioned final ZIMVAC and CFSAM reports are released. End Summary.

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THE 2002/03 CROP HARVEST FORECAST  
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17. Although the final ZIMVAC April 2003 update and the WFP/FAO CFSAM report are not yet officially released, the 2003/04 crop production and vulnerability estimates for Zimbabwe are close to final. According to highly reliable sources, the projected 2002/03 production figure for maize will be about 820,000 MT. Although 65% higher than last year's dismal production (498,500 MT), this total remains only 55% of production in 2000/01 (1,476,240 MT) and less than half (48%) of Zimbabwe's 1990s average maize production (1,705,825 MT), signifying the continuing negative impact of erratic weather, the government's chaotic land redistribution program and its gross policy failures over the past several years affecting all aspects of the agricultural production system including on-farm operations, producer incentives and shortages of essential agricultural inputs such as seeds, fertilizers and draught power (fuel). Other cereals' production (wheat, millet) is expected to be similar to last year's levels (150,000 MT and 65,000 MT, respectively). This yields a total projected cereal production for 2002/03 in Zimbabwe of 1,034,500 MT (over 40% higher than last year's 726,000 MT, but also less than half of normal/average cereal production in Zimbabwe). When one adds modest amounts of estimated carryover stocks (maize - 26,000 MT, all cereals - 62,000 MT), an estimated 10,000 MT of winter maize production, about 93,000 MT of available food aid (pipeline) stocks and a small amount (3,000 MT) of unmonitored on-farm stocks to these totals, total maize availability for 2003/04 in Zimbabwe rises to about 950,000 MT, and the availability of all cereals increases to 1,202,000 MT.

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THE PROJECTED 2003/04 FOOD AID NEEDS  
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18. Applying the new reduced population estimate from the latest (2002) census of 11,770,000 people (reduced from 13,600,000 population figure used last year), Zimbabwe's projected food needs in 2003/04 are estimated at 1,675,000 MT for maize only, and 2,205,000 MT for all cereals, including 177,000 MT of millet and 341,000 MT of wheat, as well as 250,000 MT of maize for livestock and other non-human purposes. If one reduces these figures to human consumption requirements only, total national maize requirements are estimated at 1,425,000 MT, and all cereals human requirements are estimated at 1,955,000 MT. Note: Although some have questioned the methodology of the census and, hence, the accuracy of the reduced population figures, these reduced numbers are widely accepted by donors in light of the rapid increase in outward migration and increased deaths from HIV/AIDS. End Note.

19. Based on these figures, Zimbabwe's estimated food gap amounts to 725,000 MT for maize only, and about 1 million MT for all cereals for the 2003-04 marketing/consumption year (through April 2004). Similarly, if one removes the non-human (livestock/other) portion of these amounts, the 2003-04 maize gap is estimated at 485,000 MT, and the total cereals gap at 725,000 MT. Note: While this gap compares favourably to last year's estimated deficit of approximately 1.3 million MT for maize and approximately 1.5 million MT for all cereals, a large proportion of this reduction is attributable to the reduced national consumption requirement due to the revised population figure noted above. Hence, the significant reduction in the estimated 2003/04 food gap is attributable both to increased supply, through the increased production (+65%) in the 2002/03 growing season, as well as reduced demand, through the decreased national consumption requirement (-17%) for the 2003/04 marketing/consumption year. End Note.

110. Best available estimates indicate that approximately 275,000 MT of imports have already been purchased/programmed for Zimbabwe for arrival over the coming months. This total projected import figure includes approximately 95,000 MT of food aid (including 80,000 MT of maize and 15,000 MT of

millets) and 180,000 MT of commercial imports (including 160,000 MT of maize and 20,000 MT of wheat). Note: Reliable figures are not yet available for wheat due to the later timing and increased uncertainty regarding this winter crop, grown primarily by Zimbabwe's former white commercial farmers. However, preliminary figures estimate an approximate 163,000 MT deficit for this critical urban market commodity this marketing/consumption year. End Note. Taking these confirmed import plans into account yields a final projected Zimbabwe maize deficit of 485,000 MT (or 235,000 MT without livestock/other non-human requirements), and 725,000 MT for all cereals (or 475,000 MT without livestock/other non-human requirements). Note: The projected food aid imports appear to be reasonable on the basis of available country information. However, the commercial import numbers remain to be verified, principally with the Government of Zimbabwe (GOZ) parastatal Grain Marketing Board (GMB). Also, these figures include no provision for any strategic food reserve or buffer/carryover stocks at the end of the marketing/consumption year in April 2004. End Note.

#### VULNERABLE POPULATIONS

11. According to reliable sources, the April ZIMVAC update will indicate that a total estimated maximum of 3.9 million rural Zimbabweans would be at severe risk due to food insecurity by the end of the 2003/04 marketing/consumption year. Note: The ZIMVAC did not explicitly assess urban population needs, which, according to reasonable estimates, could add as many as 1 million additional people to this figure. End Note. As might be expected, given local planting/harvest seasons, the total estimated numbers of vulnerable people increase throughout the year, from a low of 600,000 people in April/May 2003 to the 3.9 million maximum starting in January 2004. Geographically, these people are primarily situated in the poorer, drier and chronically food insecure regions of southern and western Zimbabwe, including Matebeleland North and South and some of the central and southern parts of Midlands, Masvingo, and Manicaland Provinces. However, "pockets" of severe vulnerability also exist within other similarly poor areas of the country that experienced major/total crop failures this year (e.g., northern areas of the Mashonaland, Midlands and Manicaland Provinces), as well as within specific socio-economic groups, such as ex-commercial farm workers, "fast-track" resettlers and the urban poor.

#### EXISTING COUNTRY CONSTRAINTS

12. GOZ Finances: The above estimates suggest that Zimbabwe will require a total of 725,000 MT of maize imports in the 2003/04 marketing consumption year, including 485,000 MT of new/additional imports (including 250,000 MT of livestock/other non-human requirements). Similarly, the country will require a total of about 1 million MT of all cereals imports this year, including about 725,000 MT of new/additional imports (including 250,000 MT of livestock/non-human requirements). At current international market rates, these additional food imports will cost approximately US\$100 million for maize (@ US\$ 200/MT), and \$150 million for all cereals (applying the current estimated commercial market cost of wheat for Zimbabwe of US\$ 200/MT for the additional "other cereal" amounts, as wheat will comprise the bulk of these additional requirements). Given the current sorry state of GOZ finances, it remains highly questionable how much of this additional FX food import requirement the government will be able to meet. The Mission hopes to have preliminary estimates of this amount shortly.

13. Domestic Markets: Given the significant remaining numbers of vulnerable populations and their localized geographic and socio-economic situation, it remains highly doubtful that significant quantities of grain from surplus-producing areas in the north will be effectively redistributed at affordable prices to those most in need in the southern and western grain-deficit areas of the country. This doubt stems from several factors. First, although the GOZ has raised producer prices for the major cereals to more attractive levels, these new prices still fall well short of international/regional market parity. Hence, it remains questionable how much "surplus" grain will actually be sold to/purchased by the GMB for redistribution through market channels (as opposed to being retained for own/family use and/or sold through illicit black market or cross-border channels). Second, the significant "distortions" observed in last year's food markets, through such practices as hoarding, corruption, black marketeering and biased/selective sales/distributions, raise serious doubts regarding whether this year's markets will function any more effectively under even more localized conditions of

continuing food scarcity. As a result, the reduced gap cited above may not necessarily translate into increased access for Zimbabwe's most vulnerable populations. Third, any limited quantities of food which do become available for sale through local normal (or black) markets will likely be unaffordable for the vulnerable target population, who have already depleted most of their limited assets and exhausted most other coping mechanisms. And, finally, continued/increasing FX and fuel shortages are expected to place continuing severe constraints on government efforts to transport food to where it is required. For these reasons, continued, more targeted food assistance will be required to help address these market failures and ensure that those particular vulnerable groups and areas that truly need help can get it.

14. Urban Requirements: Wheat - a primary food staple of the urban poor - is already in extremely short supply in Zimbabwe (with formal opening stocks estimated at about 28,000 MT or about one month's supply). With no significant harvest expected for this winter crop until October (2003), this situation is only expected to worsen over the coming months. In the absence of affordable wheat, urban consumers will have no choice but to continue to substitute available maize meal to meet their daily food requirements. This additional demand (estimated as high as 15,000 MT/month) will place significant pressure on the limited maize stocks that do manage to make it into local markets.

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PROJECTED DONOR FOOD RELIEF REQUIREMENTS  
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15. In the absence of stated government plans for projected additional commercial food imports, it is difficult to determine what the total international food relief requirements will be over the 2003/04 marketing/consumption year. However, although clearly less than last year's requirements, the magnitude and localized geographic and socio-economic distribution of the need, in combination with failed local markets, suggest that food aid will continue to be required in 2003/04, especially during the "hungry" season when this year's harvests run out. If one assumes a reduced government capacity to meet these continuing substantial food import requirements this year, a 50/50 split between government and international donors might be a reasonable estimate for meeting this food gap (as opposed to the approximate 3/1 split which occurred last year). According to this "ballpark" estimate, international donor food aid requirements would amount to approximately 250,000 MT for maize, and 375,000 MT for all cereals. Assuming further that the USG maintains its contribution at its current 40% share of total requirements, USG food assistance to Zimbabwe would amount to between 100,000 and 150,000 MT of food, valued at between approximately US\$55 and \$82 million. Note: The increased cost of this USG assistance relative to the global commercial estimates cited above results from the additional international transport, shipping and handling/management (ITSH) costs associated with official USG assistance. End Note. For comparative purposes, these estimated requirements are approximately between 50% and 75% of total USG contributions to Zimbabwe over the past year.

16. The emphasis of food assistance over the coming year should be on the southern and western areas of the country which experienced large-scale or total crop failures this year, and on specific highly vulnerable groups, such as children (especially, but not exclusively under five years of age), pregnant and/or lactating mothers, the elderly, chronically ill and disabled, female and child-headed households, those affected and infected by HIV/AIDS, and special socio-economic groups such as ex-commercial farm workers and the urban poor. Based primarily on the ZIMVAC results noted above, revised eligibility criteria and targeting procedures are now being developed in accordance with these more selective food aid targeting requirements. Note: The controversial issue of international assistance for newly resettled "fast-track" farmers remains a subject which needs to be addressed; however, it is significant to note that needs appear to be minimal among this group with only 20% of the population reported to require external assistance. End Note.

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MISSION COMMENT  
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17. While the country's food security situation is certainly much improved over this time last year, the magnitude and nature of the needs suggests that food assistance will continue to be required over the next marketing/consumption year, especially during the "hungry" season when this year's harvests run out. The major outstanding question is what proportion of the estimated food gap/import requirements

will government be able to cover through its own means, given the deplorable state of the country's finances and credit, and the many critical competing demands on scarce available FX. Government is currently reviewing these figures, and we hope to receive a response to this question in the near future. The Mission will advise on this information as soon as it is received.

18. Note: The Mission has just learned that government is disputing some of the figures in ZIMVAC cited above. While it is unclear exactly which numbers the government is contesting, given the politics surrounding the current country situation, the Mission expects that the basic (maize) production figures cited above are at the center of this dispute. While this predictable development will probably serve to delay the release of the final ZIMVAC update report, it is not/not expected to significantly alter the estimates provided herein (which are also well supported by the anticipated WFP/FAO CFSAM results). Hence, the Mission recommends that, at least for the time being, these numbers remain the focus of future USG planning discussions for the on-going food security crisis in Zimbabwe. End Note. #Whitehead